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**Greater New York Hospital Association**

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Kenneth E. Raske, President

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November 6, 2009

The Honorable Charles B. Rangel  
Chairman  
House Ways and Means Committee  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Rangel,

I want to express GNYHA's strong support for your leadership on the Affordable Healthcare for America Act, historic legislation that will dramatically expand health insurance coverage for Americans. GNYHA has long supported health care reform and the goal of universal coverage. We believe House passage of this legislation is an important step toward finally reaching that goal. We are also pleased that the House legislation provides enhanced Federal funding for critical Medicaid expansions, which is important in states like New York and New Jersey where some expansions have already taken place. In addition, the extension of the stimulus bill's Federal Medical Assistance Percentage for states for another six months will greatly help state governments weather the continuing economic downturn and protect health care for low-income Americans.

We are also extremely pleased that the Act recognizes the critical role our teaching hospitals play in our nation's health care system, and not only refrains from cuts in Medicare graduate medical education payments, but makes important, common sense reforms to enhance teaching hospitals' flexibility while encouraging primary care training. We would like to continue to work with you throughout the process to add provisions for new residency slots, which will be critically needed in a reformed health care system where demand for physicians of all specialties will increase.

We would also like to continue to work with you on the Medicaid and Medicare Disproportionate Share Hospital (DSH) payment cuts. As you know, we are concerned that hospitals in cities like New York and elsewhere will continue, even in a reformed health care system, to treat a lot of uninsured residents. We hope that in the end the DSH cuts can be lessened and that any measures that trigger cuts include reductions in actual hospital uncompensated care costs, rather than merely changes in the rate of uninsured.

With regard to provisions designed to lessen geographic variation in health care spending, we recognize all the good work that has been done to improve upon the geographic variation provision that was originally proposed by members from "low-cost" states. We are extremely grateful for all the good work of our Congressional delegation

on this issue. We would, however, continue to urge that the Institute of Medicine's recommendations and the Secretary's implementation plan require affirmative action by Congress before they can be implemented, and hope progress can be made on this in conference.

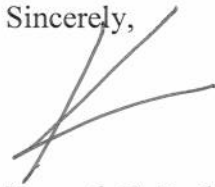
With regard to the overall level of hospital cuts, the American Hospital Association (AHA) has negotiated with the Senate Finance Committee a cap on projected ten-year hospital cuts of \$155 billion. While we certainly understand that the House was not a party to these negotiations and is not bound by that agreement, we hope that final legislation would result in no more in cuts than the amount negotiated by the AHA. We would also like to explore with you different ways to structure the device tax so that it cannot be passed on to hospitals.

Finally, we are pleased to see that the House bill contains some provisions on medical malpractice insurance reform. As you know, our hospitals are struggling with extremely high medical malpractice insurance costs, driven mostly by obstetrics. Between 35% and 50% of all of our hospitals' medical malpractice costs are due to obstetrics, and 60% of all deliveries in New York City are covered by Medicaid (over 70% in the Bronx and Brooklyn). We fear that the medical malpractice insurance cost issue is rapidly becoming an access issue, particularly for low-income families. We would like to work with you to strengthen these provisions in conference.

As strong supporters of health care reform, we strongly support the passage of the House bill as a major step forward, and we urge its passage. Thank you as always for your incomparable leadership, and we look forward to continuing to work with you through the end of this important process.

My best.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Kenneth E. Raske'. The signature is fluid and cursive, with a long, sweeping horizontal stroke at the end.

Kenneth E. Raske  
President